

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM SEPTEMBER 12, 2012**  
**OPEN SESSION**

***MINUTES OF SEPTEMBER 12, 2012 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN FOSTER CAMPBELL, VICE CHAIR JIMMY FIELD AND COMMISSIONERS LAMBERT BOISSIERE, ERIC SKRMETTA AND CLYDE HOLLOWAY. ALSO PRESENT WAS EVE KAHAO GONZALEZ.***

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Open Session of September 12, 2012, convening at 9:22 A.M. and adjourning at 2:15 P.M., Natchez Room, 602 N. 5<sup>th</sup> Street, 1<sup>st</sup> Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

**Ex. 1**            Announcements

Commissioner Field recognized candidates for LPSC District 2, Erich Ponti, Sarah Holliday, Forest Wright and Greg Gaubert as being in attendance.

Commissioner Campbell announced that Executive Counsel Dennis Weber will be retiring at the end of the week and he and the other Commissioners thanked him for his service.

Commissioner Holloway commended Entergy on a great job restoring power.

Commissioner Skrmetta directed Secretary Eve Gonzalez and Colby Cook to open and maintain a Commission Facebook page and Twitter account.

Commissioner Skrmetta directed Staff to organize a uniform reporting map for all utilities that will be available to the public.

Commissioner Skrmetta thanked numerous first responders, including several utility personnel, for their hard work and open communication during the storm.

**Ex. 2**            Presentation on the history and success of the 2-1-1 Information and Referral Service by representatives of Louisiana 2-1-1.

PASSED

**Ex. 3**            **R-29380 Subdocket B** - Louisiana Public Service Commission, ex parte. In re: An Investigation Into the Ratemaking and Generation Planning Implications of the U.S. EPA Clean Air Interstate Rule.

**In re: Staff Report on ruling in *EME Homer City Gen. et al. v. U.S. Environmental Protection Agency*, No. 11-1302 (D.C. Cir.)**

Staff Attorney Melanie Verzwylt and Outside Counsel Jeff Price gave a brief history on the case and recap on the ruling.

**Ex. 4**            **T-32432** - Louisiana Public Service Commission vs. SKY Vacuum Services, LLC (Haughton, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating beyond the scope of authority granted in LPSC number 7440 on one count; allegedly occurring on or about September 02, 2011.

**In re: Discussion and possible vote on Stipulated Agreement pursuant to Rule 57.**

On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to exercise its original and primary jurisdiction pursuant to Rule 57.

On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the agreement between Staff and the Carrier, dated August 20, 2012, wherein the Carrier agreed to plead guilty and agreed: 1) To pay a fine of \$2,000.00, per count, with \$1000.00 per count being suspended, 2) That Sky Vacuum would not commit any additional violations within the

following one (1) year from the date of the Stipulation and Agreement, and 3) That the unsuspended portion of the fine and the citation fee, for a total of \$1,025.00, would be remitted to the Commission.

**Ex. 5**            **T-32433** - Louisiana Public Service Commission vs. Heckmann Water Resources (CVR), Inc. (Carthage, Texas). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating Intrastate without LPSC authority on six counts; allegedly occurring on or about September 24, 2011 through September 30, 2011.

**In re: Discussion and possible vote on Stipulated Agreement pursuant to Rule 57.**

On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to exercise its original and primary jurisdiction pursuant to Rule 57.

On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the agreement between Staff and the Carrier, dated August 23, 2012, wherein the Carrier agreed, 1) To plead guilty and agreed to pay a fine of \$2,000.00, per count, with \$1000.00 per count being suspended, 2) That Heckman would not commit any additional violations within the following twelve (12) months from the date of the Stipulation and Agreement, and 3) That the unsuspended portion of the fine and the citation fee, for a total of \$6,025.00, would be remitted to the Commission.

**Ex. 6**            **T-32292** - Heckmann Water Resources (CVR), Inc. (Carthage, Texas), ex parte. In re: Petition for the sale and transfer of all rights, title, and interest in Common Carrier Certificate No. 7438 2nd Corrected from Complete Vacuum & Rental, Inc.

**In re: Discussion and possible pursuant to Rule 57.**

**At the request of Commissioner Field.**

On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to exercise its original and primary jurisdiction pursuant to Rule 57.

On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the sale of assets and Common Carrier Certificate No. 7438 (2<sup>nd</sup> Corrected) to Heckman Water Resources (CVR), Inc. from Complete Vacuum & Rental, Inc.

**Ex. 7**            **R-32437** - Louisiana Public Service Commission, ex parte. In re: To review and formulate possible changes to General Order dated July 1, 1921 and General Order dated February 20, 1957, pertaining to the rates, fares, charges, and tariffs for the transportation of passengers, household goods, waste and saltwater by Common Carriers within the state of Louisiana.

**In re: Discussion and Possible Vote on Proposed General Order.**

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the Proposed General Order filed into the record of this docket on August 20, 2012.

Commissioners Holloway and Field thanked Mr. Joe Ortego, Staff Attorney Jeff Valliere and Tammy Burl for all of their hard work in getting this rule written and in place.

**Ex. 8**            **U-32112** - Eagle Water, LLC., ex parte. In re: Request for an Increase in Water and Wastewater Rates.

**In re: Discussion and possible vote on Stipulated Settlement.**

PASSED

**Ex. 9**                    **U-32145** - Coast Waterworks, Inc., ex parte. In re: Application for a rate increase for water and sewer rates for The Meadows and Eden Isles and consideration of rate design and storm damage allocation previously docket as U-31772 and U-31774.

**In re: Discussion and Possible Vote on Uncontested Stipulated Settlement.**

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the Uncontested Stipulated Settlement filed into the record on July 25, 2012.

**Ex. 10**                    **U-32165** - JPC Energy, LLC, ex parte. In re: Request for an Increase in Gas Service Rates.

**In re: Discussion and Possible Vote on Proposed Uncontested Stipulated Agreement.**

On motion of Commissioner Holloway, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Term Sheet filed into the record on July 31, 2012, evidencing the Uncontested Joint Stipulation, executed by Staff and JPC Energy, LLC.

**Ex. 11**                    **S-32258** - Goodwill Water System, ex parte. In re: Request for an increase in Water Rates (non-profit system)

**In re: Discussion and Possible Vote on Interim Rate Increase.**

**At the request of Commissioner Campbell.**

On motion of Commissioner Campbell, seconded by Commissioner Holloway, with Commissioners Field and Boissiere concurring and Commissioner Skrmetta objecting, the Commission voted to grant Goodwill Water System an increase from \$1.25 per 1,000 gallon to \$1.90 per 1,000 gallons for the water Goodwill Water System sells to Fiske Union Water System. The interim increase shall remain in effect for no longer than 120 days, during which an Audit Memorandum addressing the permanent rate increase will be issued. It was further ordered that, per the Louisiana Constitution, any interim increase in rates shall be subject to appropriate bond or security and possible refund should the permanent increase be less than the interim increase.

Commissioner Holloway encouraged the smaller jurisdictional water systems to merge in order to better serve their customers.

**Ex. 12**                    **S-32452** - Hagewood Water System, Inc., ex parte. In re: Request for a Letter of Non Opposition for entering into a loan with USDA-RD.

**In re: Discussion and Possible vote on issuance of Letter of Non-Opposition.**

**At the request of Commissioner Campbell.**

On motion of Commissioner Campbell, seconded by Commissioner Holloway, with Commissioners Field and Boissiere concurring and Commissioner Skrmetta objecting, the Commission voted to accept the Staff Recommendation and approve the Request for a Letter of Non-Opposition for Hagewood Water System, Inc. to enter into a loan and grant package with the United States Department of Agriculture.

**Ex. 13**                    **S-32428** - Hagewood Water System, Inc., ex parte. In re: Request for an increase in water rates. (non-profit).

**In re: Discussion and Possible Vote on Interim Rate Increase.**

**At the Request of Commissioner Campbell.**

On motion of Commissioner Campbell, seconded by Commissioner Holloway, with Commissioners Field and Boissiere concurring and Commissioner Skrmetta objecting, the Commission voted to grant an interim rate increase as follows: Hagewood Water System, Inc. is authorized to increase its rates from \$17.00 to \$22.00 for the first 2,000 gallons and from

\$3.22 to \$4.17 per each additional 1,000 gallons. The interim increase shall remain in effect for no longer than 120 days, during which an Audit Memorandum addressing the permanent rate increase will be issued. It was further ordered that, per the Louisiana Constitution, any interim increase in rates shall be subject to appropriate bond or security and possible refund should the permanent increase be less than the interim increase.

**Ex. 14** Discussion and possible vote to hire an outside consultant to assist Staff with the Audit of Purchase Gas Adjustment Filings of Trans Louisiana Gas Company and Louisiana Gas Service Company, Regulatory Divisions of Atmos Energy Corporation from April 2010 to March 2012.

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to retain the consulting firm of J. Kennedy and Associates to assist Staff in this matter for a budget of \$37,600 in fees, expenses not to exceed \$1,600, for a total not to exceed \$39,200.

**Ex. 15** Discussion and possible vote to hire outside consultant to assist Staff with the Audit of Purchase Gas Adjustment Filings of Entergy Gulf States Louisiana, LLC (EGSL, Entergy) from January 2009 to December 2011.

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to retain the consulting firm of J. Kennedy and Associates to assist Staff in this matter for a budget of \$27,900 in fees, expenses not to exceed \$1,400, for a total not to exceed \$29,300.

**Ex. 16** Possible Executive Session pursuant to R.S. 45:17 to discuss litigation strategy regarding Louisiana Public Service Commission v. Federal Energy Regulatory Commission, No. 11-1044 (United States Court of Appeals for the District of Columbia Circuit).

On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to go into Executive Session.

On motion of Commissioner Holloway, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to come out of Executive Session.

**Ex. 17** 1) Reports  
2) Resolutions  
3) Discussions

Commissioner Field directed Staff to draft a rule that would require jurisdictional electric, natural gas and water utilities with common customers to attempt to coordinate their roll out (if any) of advanced metering systems. At the very least, the proposed rule should (a) require that any electric, natural gas or water utility seeking to install an advanced metering system make a good faith effort to collaborate with the other utilities with which it shares customers and (b) require that a summary of the attempted collaboration be documented and filed with the Commission.

Commissioner Skrmetta directed Staff to open a rulemaking to ultimately establish an order for required communications between utilities and staff/commissioners during disaster events. In addition, the rulemaking process should work to establish uniform rules for all utilities in how they respond to storm.

**Ex. 18** **S-32078 - Cecilia Water Corporation, ex parte.** In re: Request for an increase in water rates for capital improvements. (Non-Profit System).

**In Re: Discussion and possible vote on Staff Recommendation.**

**At the request of Commissioners Field and Holloway.**

PASSED

**Ex. 19**      **U-32186** - Louisiana Public Service Commission, ex parte. In re: Audit pursuant to Commission General Order U-27469-B of Entergy Gulf States Louisiana, L.L.C.'s and Entergy Louisiana, LLC's avoided cost calculations and payments made to Qualifying Facilities ("QFs") for the Audit Period of January 1, 2010 through December 31, 2011.

**In re: Discussion and possible vote to accept Uncontested Audit Report as filed.**

**At the request of Commissioner Field.**

On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the findings in the Audit of Avoided Cost Calculation filed into the record on August 1, 2012.

**Ex. 20**      **U-32251** - Louisiana Public Service Commission vs. BLC Management LLC of Tennessee D/B/A Angles Communications Solutions D/B/A Mexicall Communications. In re: Alleged violations of Section 301 (L) (3), Section 301 (L) (4), Section 302 (A), Section 302 (B), Section 401 (F) (3) (b), Section 401 (F) (3) (c) and Section 901 (G) of the Regulations for Competition in the Local Telecommunications Market, as most recently amended by Commission General Order dated August 13, 2009, and Commission General Order dated April 24, 2002. **Cons. W/**

**U-32252** - Louisiana Public Service Commission vs. Triarch Marketing D/B/A Triarch Communications. In re: Alleged violations of Section 301 (L) (3), Section 301 (L) (4), Section 302 (A), Section 302 (B), Section 401 (F) (3) (b), Section 401 (F) (3) (c) and Section 901 (G) of the Regulations for Competition in the Local Telecommunications Market, as most recently amended by Commission General Order dated August 13, 2009, and Commission General Order April 24, 2002.

**At the request of Commissioner Field.**

On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to adopt the ALJ Recommendation. It was further ordered that the Commission adopt a mechanism whereby customers that have proof they paid for service to BLC or Triarch for dates after the disconnection of both companies, be refunded those payments.

Commissioner Skrmetta directed Staff to re-open the Local Telecommunications Market Regulations for Competition rulemaking to possibly modify the order after investigating the amount of the fines imposed as well as the ability to tie the amount of the fine to the revenue of the company, and the ability to hold the individual officers of the company responsible for payment should the corporation itself not be able to pay.

**Ex. 21**      **U-23327 Subdocket F** - Southwestern Electric Power Company, ex parte. In re: Investigation of Southwestern Electric Power Company; Revenue Requirement Conducted Pursuant to Merger Order U-23327.

**In re: Discussion and possible vote on adoption of Settlement Term Sheet for 2009 FRP test year filing.**

**At request of Commissioner Campbell.**

On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to exercise its original and primary jurisdiction pursuant to Rule 57.

On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the settlement term sheet signed by the parties.

**Ex. 22**      **U-32225** - Louisiana Public Service Commission, ex parte. In re: Commission Audit of Lafayette Utility System's Covered Services Pursuant to General Order dated October 4, 2005.

**In re: Discussion and possible vote to accept Staff's Report and Final Recommendation.**

**At the request of Commissioner Field.**

Commissioner Field offered a motion to approve the Staff Audit Report and recommendation, with the following change- rather than the Staff recommended 5 years of additional audits beginning with fiscal year 2011, a three year audit to be commenced in 2014 to cover fiscal years 2011-2013. This motion died for lack of a second.

Commissioner Skrmetta offered a substitute motion to approve the Staff Audit Report and recommendation, with the following change- rather than the Staff recommended 5 years of additional audits beginning with fiscal year 2011, two years of audits beginning with fiscal year 2011.

Commissioner Holloway offered a 2<sup>nd</sup> substitute motion to accept the Staff Audit Report and recommendation, with the following change- elimination of the additional audit requirement. This motion was seconded by Commissioner Field; however Commissioners Campbell, Boissiere and Skrmetta objected. This motion failed by a vote of 3 to 2.

Commissioner Skrmetta's substitute motion was then called back up for a vote. It was seconded by Commissioner Campbell, with Commissioner Boissiere concurring and Commissioners Field and Holloway objecting. Therefore, this motion prevails by a vote of 3 to 2.

**Ex. 23**

Report from utilities on Hurricane Isaac.

**At the request of Commissioner Skrmetta.**

Representatives for Entergy, SWEPCO, CLECO, Pointe Coupee, DEMCO, SLEMCO, SLECA and WST provided the Commission with a report on their storm recovery.

Commissioner Skrmetta offered a motion to set a date for a special session to be held later this month or in early October to publicly question Entergy in detail as to the public's concerns about their response, and that the Commission retain the law firm of McQuaig & Associates to assist Staff for a total budget of \$46,500, including fees not to exceed \$45,000 and expenses not to exceed \$1,500. The firm's assistance would include, but not be limited to, conducting interviews of local officials and other relevant parties, building a list of questions to be asked of Entergy officials at the special session and asking such questions of Entergy should the Commission so desire.

Commissioner Field offered a substitute motion to open an investigation of Entergy by way of Staff reviewing written questions submitted from public officials and Entergy's responses thereof. This motion died for lack of a second.

Commissioner Skrmetta's motion was brought back up for a vote, with the request for a special session taken out. Commissioner Boissiere seconded this motion. No opposition was voiced. Therefore, the Commission voted unanimously to retain McQuaig & Associates to conduct an investigation of Entergy's Hurricane Isaac restoration response.

On motion of Commissioner Holloway, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to adjourn the meeting.

**MEETING ADJOURNED**

The next Business and Executive Session will be held October 17, 2012 at 9:00 a.m. in Baton Rouge, Louisiana.